



Legislation Details (With Text)

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Title: *Consideration of Resolution No. 2014-77; A Resolution to Approve the Letter of Intent with GE Water & Process Technologies for the Purchase of the Hollow Fiber Membrane Filtration System Equipment for the Franklin Water Treatment Plant and Authorize the City Engineer to Execute the Final Purchase Contract (COF Contract No. 2014-0269) and Revise Final Equipment Purchase Without Seeking Approval from the Board of Mayor and Aldermen.

Sponsors: David Parker

Indexes:

Code sections:

Attachments: 1. Letter of Intent for GE Membranes Final 12-24-14.pdf, 2. Resolution 2014-77 Approving GE Letter Of Intent & City Eng to Execute.pdf, 3. Res. 2014-77 Exhibit B 12-29-14.pdf, 4. Res 2014-77 Exhibit A 12-30-14.pdf

Date	Ver.	Action By	Action	Result
1/13/2015	1	Work Session	acknowledged	
1/13/2015	1	Board of Mayor & Aldermen	approved	Pass

DATE: December 29, 2014

TO: Board of Mayor and Aldermen

FROM: Eric Stuckey, City Administrator
David Parker, City Engineer/CIP Executive
Mark Hilty, Director of Water Management Department

SUBJECT: Consideration of Resolution No. 2014-77; A Resolution to Approve the Letter of Intent with GE Water & Process Technologies for the Purchase of the Hollow Fiber Membrane Filtration System Equipment for the Franklin Water Treatment Plant and Authorize the City Engineer to Execute the Final Purchase Contract (COF Contract No. 2014-0269) and Revise Final Equipment Purchase Without Seeking Approval from the Board of Mayor and Aldermen.

Purpose

The purpose of this memo is to provide information to the Franklin Board of Mayor and Aldermen (BOMA) concerning Resolution No. 2014-77 in order to make an informed decision as to the purchase of the Hollow Fiber Membrane Filtration (Membrane) equipment for the Water Treatment Plant (WTP) Improvements Project. Authorization allowing the City Engineer with the approval of the City Administrator and City Attorney to make decisions such as the execution of the final Agreement for Procurement (COF Contract No. 2014-

0269) and adjust the Base Selling Price in accordance with the Method of Cost Escalation as described in Attachment A of the Letter of Intent is also being sought as part of this Resolution in order to prevent delays in the design and construction of the WTP Project.

Background

Due to the various different manufactures of Membrane equipment requiring different facilities for their equipment and the desire to not have the City's consultant design all of the different facilities, a pre-selection process for the procurement of the Membrane equipment was conducted. As a result of this process, the City's consultant (Smith Seckman Reid, Inc. (SSR)) in concurrence with the City's involved staff recommend entering into a contract with GE Water & Process Technologies (GE) for the purchase of the Membrane equipment at a Base Selling Price of One Million Three Hundred Eighteen Thousand and No/100 Dollars (\$1,318,000.00). The Letter of Intent as proposed is to enable GE to start with the design of their equipment where SSR can size the facilities for housing this equipment.

While this design process is under way, the City Engineer will negotiate an Agreement for Procurement (COF Contract No. 2014-0269) with GE that will set the parameters for the design, manufacture and delivery of the Membrane equipment. This Agreement will also establish the terms of assignment of COF Contract No. 2014-0269 to the successful bidder (general contractor) for the WTP Improvements construction contract. It is anticipated that the advertisement for construction for the WTP Improvements will be in June of 2015. With the need to settle the approval of the Agreement for Procurement in a relatively short time frame, we are asking for authorization for the City Engineer to execute this Agreement, but only after the concurrence of the City Administrator and City Attorney of the final terms of the Agreement. With the execution of the Agreement for Procurement we are also asking for the City Engineer have the authority to administer this Agreement (COF Contract No. 2014-0269 on behalf of the City without having to obtain prior approval of BOMA. This will also include approval of necessary revisions to the Membrane equipment to be furnished and the adjustment to the Base Selling Price due to the revisions and in accordance with the Method of Cost Escalation as for in Attachment A of the Letter of Intent. COF Contract No. 2014-0269 is expected to be in a form substantially similar to Exhibit B of the Resolution.

Financial Impact

The value of the Agreement for Procurement of the Membrane equipment from GE is One Million Three Hundred Eighteen Thousand and No/100 Dollars (\$1,318,000.00) and is just a portion of the anticipated cost of the WTP Improvements project. This cost will be assigned to the general contractor for the WTP Improvements project, but naturally it will ultimately be paid by the City.

Recommendation

Approval of Resolution No. 2014-77 authorizing the City Administrator, City Engineer and City Attorney to enter into an Agreement for Procurement for membrane equipment with GE Water & Process Technologies.